

Issued September 2005

Principles of Corporate Behavior (Corporate Social Responsibility Guidelines)

The Principles set forth in this document outline the basic principles of conduct that govern the Epson group companies, their officers and employees. By following these guidelines, and thereby conducting business in a socially, environmentally and economically responsible manner, we can build upon and maintain our corporate management philosophy, which defines Epson as a company to be held in high esteem and trusted by its stakeholders.

Principle 1: Acting ethically, building trust

Principle 2: Protecting people, assets, and information

Principle 3: Generating value for our customers

Principle 4: Creating a safe, healthy and fair workplace

Principle 5: Fostering diverse values and teamwork

Principle 6: Co-creating with our business partners

Principle 7: Initiating honest dialogue with our stakeholders

Principle 8: Prospering with the Community

Principle 9: Preserving the natural environment

Principle 1: Acting ethically, building trust

We will abide by the law and conduct all our business with high ethical standards.

- a) We will establish and maintain an effective system which governs our corporate entities to ensure that management is both transparent and accountable to our internal and external stakeholders.
- b) We will implement systems of compliance to ensure that we properly observe and respect the laws and regulations of each country in which we operate.
- c) We will respect and adhere to the principles of the United Nations Global Compact.(*1)
- d) We will not tolerate any form of bribery, corruption, dishonest marketing, or insider trading. We will conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace.
- e) We will employ best practices in risk management in financial, environmental and social arena to continuously earn the trust of our stakeholders.
- f) We will maintain a good, mutually cooperative relationship with governments and their administrative bodies.
- g) We will not involve ourselves in nor have contact with any anti-social movement or group that promotes activities which are illegal or threatening to public order and safety.

*1: For the UN Global Compact, please see the following URL:

http://www.epson.co.jp/e/community/un_global_compact.htm

Principle 2: Protecting people, assets, and information

We will maintain systems to provide the security of people and all corporate assets, and will be prudent in handling information

- a) We will establish and maintain systems to ensure the safety and security of Epson personnel, as well as visitors or contractors on our premises.
- b) We will carefully handle all group tangible and intangible assets (financial, intellectual, and those regarding infrastructure, brand, and proprietary information) and respect the assets of others.
- c) We will take reasonable and necessary precautions to protect the confidentiality of proprietary business information including the privacy of customers, employees and other stakeholders.
- d) We will only use our company assets (all forms stated above) for appropriate business purposes. Unauthorized use (including the appropriation of corporate assets for private gain) will not be tolerated.

Principle 3: Generating value for our customers

We will keep the customer in mind at all times and make the quality of our products and services our highest priority. From the quality assurance efforts of each employee to the quality of our company as a whole, we will devote ourselves to creating products and services that please our customers and earn their trust.

- a) We will deal with all customer issues in a fair and honest manner, by listening to them and giving sincere consideration to their comments and suggestions.
- b) We will strive to deliver high value, quality products and services that meet and/or exceed the expectations of our customers.
- c) We will ensure that all products meet the required safety and environmental standards.
- d) We will adhere to universal design standards that maximize product usability and give our customers something they will value and enjoy.
- e) We will carefully monitor cost issues in order to provide our customers with affordable products.
- f) We will provide goods and services that can be used for socially beneficial purposes.
- g) We will actively invest in research, development, and manufacturing improvements that enable us to add value to the customer by consistently creating innovative products and services.

Principle 4: Creating a safe, healthy and fair workplace

We will respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment.

- a) We will adhere to and maintain the proper health and safety standards at all sites around the world.
- b) We will implement programs that support the mental and physical well being of our employees.
- c) We will not tolerate any violation of human rights.
- d) We will create a corporate culture that ensures prompt corrective action is taken against undesirable behavior including any unlawful forms of discrimination (such as sexual harassment, gender, nationality, religion, race and disability discrimination), abuse of power, violence, devaluation of the individual or any behavior resulting in loss of trust.
- e) We will establish practices that create a fair and open work environment and build a corporate culture that facilitates equal opportunities for all.
- f) We will support employee work styles that facilitate the proper balance between work and one's personal life.

Principle 5: Fostering diverse values and teamwork

We will draw strength from our diversity, creating a positive synergy between the individual and the company.

- a) We will create a culture in which there is respect and value for each individual's unique contribution to the company. Furthermore, we will establish programs that enable employees to take pride in their work and work with confidence, actively promoting team work
- b) We will create and disseminate materials that inform employees of the significance of "Epson Values." By doing so, we will encourage employees to work together towards our common goal of creating value for our customers.
- c) We will provide educational opportunities and support for individuals as they develop and utilize their skills within the organization.
- d) We strive to maintain relationships with our employees based on trust. This will be accomplished by providing and facilitating an open dialogue between the company management and its employees.
- e) We will create a culture and systems that allow our teams to perform at their full potential while respecting the individuality of each member.

Principle 6: Co-creating with our business partners

We will expect our business partners to live up to the same ethical standards we observe and aim to work together to our mutual benefit while respecting applicable laws and our mutually independent business strategies and stances.

- a) We will develop and maintain open and honest relationships with our business partners, based on mutual trust
- b) We will hold our business partners to the same stance as Epson with regard to compliance with laws, and maintenance of high standards of ethics, quality, the environment, human rights and labor conditions. Epson will require improvements to any of these areas as needed.
- c) We will engage in sound business practices in all matters concerning business relationships. Employees are to abide by these practices when giving or receiving gifts, providing entertainment, or being entertained by business partners.

Principle 7: Initiating honest dialogue with our stakeholders

We will maintain open lines of communication with our stakeholders, thoughtfully considering their views and suggestions.

- a) We will communicate openly and honestly with our stakeholders, and will establish appropriate systems for the disclosure of information.
- b) We will utilize the appropriate tools to communicate information that our stakeholders might find useful.
- c) We will provide opportunities and establish appropriate systems so that our stakeholders can communicate their opinions and suggestions.
- d) We will utilize the opinions and suggestions of our stakeholders as a vital resource for corporate management.

Principle 8: Prospering with the Community

We will actively contribute to the communities in which we operate, as well as the international community, facilitating mutually beneficial relationships.

- a) We will respect the cultures and traditions of the countries in which we operate.
- b) We will engage in open dialogue with the local and international community.
- c) We will actively engage in activities that promote our standing as a good corporate citizen.
- d) We will nurture a culture in which our employees are encouraged to participate in volunteer activities and other activities that facilitate good corporate citizenship. We will establish the systems needed to support such efforts.

Principle 9: Preserving the natural environment

We will integrate environmental considerations into our corporate activities and actively strive to meet high conservation standards in fulfilling our responsibilities as a good corporate citizen.

- a) Harmony with the environment is one of the highest priorities of the Epson Group's management. When conducting business activities, we will keep future generations in mind, and consider how they might best be sustained
- b) We will continue to work towards developing innovative products that integrate environmental standards, minimize environmental impacts in integrated manner and enhance the social value.
- c) We will participate in environmental protection and restoration projects.
- d) We will promote environmental awareness and provide information to our employees to enhance their understanding of environmental issues.